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## ANNUAL AUDITED REPORT FORM X-17A-5 PART III

SEC FILE NUMBER
8- 53022

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the

Securities Exchange Act of 19	34 and Rule 1/a-5 Inc	reunaer ( )
<del></del>	AND ENDIN	NG 06 30 08 X
A. REGISTRANT II	DENTIFICATION	
NAME OF BROKER-DEALER: Computershow	e Sceneties	OFFICIAL USE ON
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not	t use P.O. Box No.)	FIRM I.D. NO.
2 North Lo Salle St	7	
(No. ar	nd Street)	
Chicago	<u>L</u>	60602
(City)	(State)	(Zip Code)
NDEPENDENT PUBLIC ACCOUNTANT whose opinion is	contained in this Report*	
De U.L. Cr. B	ai, state tast, jirst, madie name)	4 02110
(Address) (City)	()	State) (Zip Code)
CHECK ONE: /	DD(	CESSED
CHECK UNE:	1 1//	/
Certified Public Accountant	<del>-</del> -	
Certified Public Accountant  Public Accountant	SE	P 0 5 2008 E
Certified Public Accountant	SE	P 0 5 2008 E

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

### OATH OR AFFIRMATION

, SERGRO II	, swear (or affirm) that, to the best of
	financial statement and supporting schedules pertaining to the firm of
COMPLETERSHARE	SECURITIES CORP , 25
of <u>Sune 30</u>	, 20 🕳 , are true and correct. I further swear (or affirm) that
neither the company nor any partner, proprie classified solely as that of a customer, except	etor, principal officer or director has any proprietary interest in any account t as follows:
	——————————————————————————————————————
	Signature
	Signature
	US Controller
	Title
Helen Hill Bautle Notary Public	<u>ب</u>
This_report ** contains (check all applicable	haves):
(a) Facing Page.	concey.
(b) Statement of Financial Condition.	
(c) Statement of Income (Loss).	7
(d) Statement of Changes in Financial C	rs' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities	
(g) Computation of Net Capital.	
	deserve Requirements Pursuant to Rule 15c3-3.
	on or Control Requirements Under Rule 15c3-3.
	ate explanation of the Computation of Net Capital Under Rule 15c3-1 and the ne Reserve Requirements Under Exhibit A of Rule 15c3-3.
	ed and unaudited Statements of Financial Condition with respect to methods of
(1) An Oath or Affirmation.	
(m) A copy of the SIPC Supplemental R	
(n) A report describing any material inad	equacies found to exist or found to have existed since the date of the previous au
**For conditions of confidential treatment o	f certain portions of this filing, see section 240.17a-5(e)(3).

## **Computershare Securities Corporation**

Financial Statements and Supplemental Information Pursuant to Rule 17a-5 of Securities Exchange Act of 1934 June 30, 2008

# Computershare Securities Corporation Index June 30, 2008

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PricewaterhouseCoopers LLP 125 High Street Boston MA 02110 Telephone (617) 530 5000 Facsimile (617) 530 5001

#### Report of Independent Auditors

To the Board of Directors and Stockholders of Computershare Securities Corporation:

In our opinion, the accompanying statement of financial condition and the related statements of income, of changes in stockholder's equity, and of cash flows present fairly, in all material respects, the financial position of Computershare Securities Corporation (the "Company") at June 30, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pricevatarhous Coopers LCP

August 25, 2008

# Computershare Securities Corporation Statement of Financial Condition June 30, 2008

Assets	
Cash	\$ 104,803
Short Term Securities	495,857
Receivables from affiliates	717,808
Prepaid and other assets	10,056
•	\$1,328,524
Liabilities and stockholder's equity	
Other liabilities	<u>\$ 166,849</u>
Stockholder's equity	
Common stock, \$0.01 par value; 1,000 shares authorized, no shares issued or outstanding	
Paid-in Capital	1 072 000
Retained Earnings	1,073,998
E .	<u>87,677</u>
Total stockholders equity	<u>\$1,161,675</u>
Total liabilities and stockholder's equity	<u>\$1,328,524</u>

## Computershare Securities Corporation Statement of Income Year Ended June 30, 2008

\$1,739,100
254,883
35,096
2,029,079
1,739,100
(1,739,100)
1,739,100
60,448
1,799,548
229,531
101,912
\$ 127,619

## Computershare Securities Corporation Statement of Changes in Stockholder's Equity Year Ended June 30, 2008

	Paid-In Capital	(Accumulated Deficit)/Retained Earnings	Receivable from Affiliate	Total
Balance July 1, 2007	\$1,073,998	\$(39,942)	\$(655,185)	\$ 378,871
Reclass to Assets Net Profit		127,619	655,185	655,185 127,619
Balance June 30, 2008	<u>\$1,073,998</u>	\$87,677	<u>\$0</u>	\$1,161,675

## Computershare Securities Corporation Statement of Cash Flows Year Ended June 30, 2008

Cash flows from operating activities  Net profit  Adjustments to reconcile net loss to net cash provided by operating activities	\$ 127,619
Change in assets and liabilities  Short term securities	(7.700)
	(7,788)
Deferred tax asset	0
Receivable from affiliates	(62,623)
Prepaid and other assets	856
Other liabilities	<u>(65,192)</u>
Net cash provided by operating activities	(7,128)
Net decrease in cash	(7,128)
Cash	
Beginning of period	_111,931
End of period	104,803
Supplemental cash flow information	<b># 101 010</b>
Income taxes paid	<u>\$ 101,912</u>

The accompanying notes are an integral part of these financial statements.

## Computershare Securities Corporation Notes to Financial Statements June 30, 2008

#### 1. General

On November 17, 2000, Computershare Securities Corporation (the "Company") was incorporated under the laws of the State of Delaware. The Company is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly-owned subsidiary of Computershare Investor Services, LLC (the "Parent"). The Parent is a wholly-owned subsidiary of Computershare US Services Inc., who is an indirect wholly owned subsidiary of Computershare Limited, an Australian company.

The Company serves as a broker-dealer for transactions initiated by its affiliates. These transactions include purchase and sale transactions for employee stock purchase plans ("ESPPs") and stock option plans as well as the purchase and sale of securities by affiliates to assist in their transfer agency dividend reinvestment and similar plans. Since last year, Computershare Plan Managers PTY, a registered dealer in Australia, also is a customer who administers ESPPs.

#### 2. Significant Accounting Policies

#### Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

#### **Short Term Securities**

Short-term securities include a \$500,000 face value treasury bill due to mature in December 2008 and valued at market value.

#### Revenue Recognition

Commission revenue is recognized on a trade-date basis as transactions occur. Interest income is recognized when earned.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### Fair Value of Financial Instruments

The fair value of all financial assets and liabilities (consisting primarily of treasury bills and receivables from customers) are considered to approximate the reported value due to the short-term nature of the financial instruments.

On September 15, 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157

### Computershare Securities Corporation Notes to Financial Statements June 30, 2008

defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles ("GAAP"), and enhances disclosures about fair value measurements. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 is effective for the Company's financial statements issued for the year beginning on July 1, 2008. Management believes that the adoption of SFAS 157 is not expected to have a material impact on the Company's financial condition and results of operations.

#### **Income Taxes**

The Company accounts for income taxes under the liability method as required by Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. Under this method, deferred tax assets and liabilities, if any, are determined based on differences between the financial reporting and tax basis of assets and liabilities.

On July 13, 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting and reporting for income taxes where interpretation of the tax law may be uncertain. FIN 48 prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of income tax uncertainties with respect to positions taken or expected to be taken in income tax returns. The Company adopted FIN 48 on July 1, 2007. The adoption has not had a significant effect on the Company's financial condition and results of operations.

#### **Basis of Presentation**

Certain balances have been reclassified from the prior year to conform with current year presentation.

#### 3. Related Parties

Computershare, Inc. is responsible for and pays any and all overhead liabilities of the Company without anticipated reimbursement from the Company. As the registered broker-dealer servicing transactions related to the Company's affiliates' purchases and sales of securities for employee stock purchase plans and other plans, the Company entered into a clearing agreement with its clearing broker. The expenses attributable to those charges are fully recoverable from Computershare, Inc. an affiliate of the company, and are recorded as a liability on the Company's balance sheet until paid by Computershare, Inc. For the year ending June 30, 2008 \$1,739,100 was reimbursed by the affiliate.

Computershare, Inc. bills the Company for management services under an expense-sharing arrangement but at no time may any charge for such services cause the Company's net capital to fall below 120% of its required amount. For the year ended June 30, 2008, management fees recognized for services provided by the affiliates were \$1,739,100. Operating expenses not allocated by Computershare, Inc. to the Company was \$28,973.

### Computershare Securities Corporation Notes to Financial Statements June 30, 2008

Introducing fee revenue of \$1,739,100 was recognized from the affiliated companies during the year ended June 30, 2008 and was based upon market brokerage rates.

All intercompany transactions with the Parent and affiliated companies are charged or credited through intercompany accounts and may not be the same as those which would otherwise exist or result from agreements and transactions among unaffiliated third parties.

Receivables from affiliates generally represent amounts due from affiliates that are expected to be settled in the normal course of business. Post year end the intercompany receivable was paid on July 30, 2008 in the amount of \$717,807.

#### 4. Income Taxes

The Company is part of a group that files a consolidated U.S. Federal and combined state and city income tax returns. The Company calculates taxes as if it filed on a separate company return basis. Amounts due to the Parent with respect to current income taxes are settled currently.

The income tax benefit for the year ended June 30, 2008 consists of the following:

#### Current

Federal	\$68,719
State and Local	33,193
Income Tax Expense	\$101,912

The effective tax rate differs from the Federal statutory rate of 35% primarily due to the effect of state and local taxes.

#### 5. Regulatory Requirements

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. In accordance with the Rule, the broker-dealer is required to maintain minimum net capital, as defined, of \$5,000 or 6 2/3% of aggregate indebtedness, whichever is greater. At June 30, 2008, the Company had a required minimum net capital of \$11,123 and aggregate indebtedness of \$166,849. The ratio of aggregate indebtedness to net capital was 0.39 to 1.

The Company has complied with the exemptive provisions of Rule 15c3-3 under subparagraph (k)(2)(ii) – the Company does not receive or carry securities accounts for its customers or perform custodial functions relating to customer securities.

All customer transactions are cleared on a fully disclosed basis through a clearing broker which files financial statements with the SEC pursuant to Rule 17a-5.

## Computershare Securities Corporation Notes to Financial Statements June 30, 2008

#### 6. Contingencies

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

#### 7. Liabilities Subordinated to Claims of General Creditors

The Company had no borrowings under subordination agreements during the year ended June 30, 2008.

•	
• .	
•	SUPPLEMENTARY INFORMATION
•	

# Computershare Securities Corporation Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission June 30, 2008

Julie 30, 2006	Scriedule i
Net capital	
Total stockholder's equity	\$1,161,675
Deductions	
Non-allowable assets:	
Prepaid and other assets	727,864
Haircuts on securities, 0.5% treasury bill	<u>2,479</u>
Net Capital	<u>\$ 431,332</u>
Aggregate indebtedness	
Other liabilities	<u>\$ 166,849</u>
Total aggregate indebtedness	<u>\$ 166,849</u>
Computation of basic net capital requirement	
Minimum required net capital (the greater of \$5,000 or 6 2/3% of	
aggregate indebtedness)	<u>\$ 11,123</u>
Excess net capital over minimum required	\$ 420,209
Ratio of aggregate indebtedness to net capital	0.39 to 1

Schedule I

#### Statement Pursuant to Paragraph (d)(4) of Rule 17a-5

There were no material differences between the above computation of net capital and the computation included in the Company's unaudited June 30, 2008 Form X-17a-5, as amended and dated July 24, 2008

Computershare Securities Corporation
Computation for Determination of the Reserve Requirements Under
Securities and Exchange Commission Rule 15c3-3
June 30, 2008
Schedule II

### Exemption Under Section (K)(2)(ii) has been Claimed

The Company has complied with the exemptive provisions of the Securities and Exchange Commission Rule 15c3-3 under Subparagraph (k)(2)(ii) - the Company does not receive or carry securities accounts for its customers or perform custodial functions relating to customer securities.

Computershare Securities Corporation
Information Relating to Possession or Control Requirements Under
Securities and Exchange Commission Rule 15c3-3
June 30, 2008 Schedule III

#### Exemption Under Section (K)(2)(ii) has been Claimed

The Company has complied with the exemptive provisions of the Securities and Exchange Commission Rule 15c3-3 under Subparagraph (k)(2)(ii) - the Company does not receive or carry securities accounts for its customers or perform custodial functions relating to customer securities.



PricewaterhouseCoopers LLP 125 High Street Boston MA 02110 Telephone (617) 530 5000 Facsimile (617) 530 5001

## Report of Independent Auditors on Internal Control Required by SEC Rule 17a-5

To the Board of Directors and Stockholders of Computershare Securities Corporation

In planning and performing our audit of the financial statements of Computershare Securities Corporation (the "Company") as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures, that we considered relevant to the objectives stated in Rule 17a-5(g), in making the following:

- 1. The periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11); and
- 2. Determining compliance with the exemptive provisions of Rule 15c3-3.

Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

- 1. The quarterly securities examinations, counts, verifications, and comparisons, and recordation of differences required by Rule 17a-13;
- 2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System; and

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with

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management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first, second, and third paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at June 30, 2008 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Pricavotarpour & Cooper Lep

August 25, 2008

END